THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) Prices of bulk drugs are fixed/revised in accordance with the provisions laid down under DPCO 1987 on the basis of the cost-cum-technical study conducted by the BICP and detailed examination of these reports in this Ministry.

(b) to (e) The recommendations regarding retention of 50 per cent reduction in cost due to R&D efforts made by a company in respect of any bulk drug manufactured by it, from basic stage was made by Kelkar Committee and it has been accepted by the Government. Such a benefit has been extended in case of bulk drug Isosuprine Hcl. only, so far.

Inserting new rule in IDPL conduc/, discipline Rule, 1978

2053. SHRI CHHOTUBHAI PATEL: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Indian Drugs and Pharmaceuticals Limited has inserted a new rule in March, 1990 in their service rule book (IDPL Conduct, Discipline Rule, 1978);

(b) whether it is also a fact that under this rule the services of even permanent employees can be terminated without Show Cause Notice;

(c) whether it is a fact that the ruling of Supreme Court in the DTC case has stated clearly that the permanent employees cannot be terminated without proper enquiry; and

(d) if so, what action Government propose to take in this behalf?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) to (d) In March, 1990, a new Rule 30 A was incorporated in the Conduct, Discipline and Appeal Rules, 1978. The rule provides for termination of the services of a permanent employee on notice without enquiry on the following contingencies:

(i) if the post held by the employee is abolished;

(ii) if an employee is declared to be unfit on medical grounds for the service of the company;

(iii) if an employee remains on unauthorised absence for 30 days or more.

The Rule also provides for the following:

(1) In case of (i) and (ii) above, the services shall be terminated after giving 3 months' notice to a permanent employee and one month's notice to a temporary employee or pay in lieu thereof in both the cases;

(2) In the case of (iii) above, services of an employee shall be terminated if he fails to explain his conduct satisfactorily within 15 days from the date of receipt of the Show Cause Notice by him. The Management shall be empowered to take a decision without resorting to further inquiries.

(3A) The decision in case of (iii) above would be taken only with the prior approval of a Screening Committee of 2 Directors/Executive Directors, to be constituted for this purpose by the Chairman & Managing Director.

(B) The reasons for the decision would be recorded in writing.

Rule 30A has been incorporated by Board of Directors of Indian Drugs and Pharmaceuticals Limited in consonance with the Supreme Court ruling in the case of Pyare Lal Sharma Vs. Managing Directors & Others in Civil Appeal No. 3154 and 3155 of 1985 while upholding certain amendments in the Rules of Jammu & Kashmir Industries Ltd.

In view of the ruling of the Supreme Court in DTC case, the company has been directed to obtain expert legal advice and review the matter at the earliest.